

A Special Meeting of the Troy City Council was held on September 12, 2022, at City Hall, 500 W. Big Beaver Rd. Mayor Baker called the meeting to order at 6:00 PM.

A. ROLL CALL:

Mayor Ethan Baker
Edna Abraham
Theresa Brooks
Rebecca A. Chamberlain-Creanga
Ann Erickson Gault
David Hamilton
Ellen Hodorek

C. PUBLIC COMMENT:**D. BUSINESS STATED IN THE SPECIAL MEETING NOTICE:**

D-1 Revenue, Expenditures, and Changes in Fund Balances

City Manager Mark Miller welcomed everyone, and commented that this is the third meeting in our series prior to the Advance. He turned the discussion over to Assistant City Manager Bob Bruner.

Mr. Bruner began the discussion of the presentation Revenue, Expenditures, and Changes in Fund Balances.

Council Member Brooks questioned if we know how comparative communities are handling inflation. Mr. Bruner answered that he hasn't researched it, but he did share with Council a list of financial proposals from other communities and school districts that will be on the November ballot.

Council Member Brooks commented that Troy is one of the only communities without a Public Safety Millage, and it's interesting that a large percentage of our General Fund is spent on Public Safety. Mr. Bruner said that in survey results, public safety is always a top priority, so it's not surprising. Mayor Baker said he would like to see the structure of communities' budgets that have public safety millages. Chief Financial Officer Rob Maleszyk commented that the great recession started impacting communities in 2011, and the millages really started showing up in 2012-2013. He said that Sterling Heights, for example, did a "Safe Streets Millage" that included public safety and road repair around that time.

Council Member Chamberlain-Creanga commented that she thought the distribution of funding to public safety, as well as how budgets are structured when there is a dedicated public safety millage, is very interesting. She questioned what the load from the General Fund would be used for, such as capital needs. Mr. Bruner commented that the General Fund is the fund that provides loans, and the recent spike in loan money was for capital needs. Council Member Chamberlain-Creanga commented that we shouldn't be worried about Sanctuary Lake, because they will be repaying the loans to the General Fund down the road. Mr. Bruner

commented that there's no use in worrying, and that trends go up and go down, but the most important point is to remember that Fund Balance is not just a "rainy day fund". Mr. Miller added that it's important to notice the trends in golf usage, since it was lower during the pandemic but now has greatly increased. Mr. Maleszyk commented that he believes it's prudent to consider the loans to the Aquatic Center to be more of a write-off since they aren't expected to be repaid. He said that Sanctuary Lake is doing so well that financially they aren't needing as much Fund Balance as expected. Council Member Chamberlain-Creanga commented that she is interested in finding out how other communities structured their dedicated millages.

Council Member Hodorek commented that she remembers watching how other communities handled their dedicated library millages when Troy was considering a similar millage. She said that there were politics involved at that time, also, but other communities were able to navigate through those challenges. She said that there were a lot of really smart, fiscally responsible decisions made by Troy during that time, and she doesn't think that the same challenges exist today, but it's very difficult to compare us to other communities. She commented that the Aquatic Center has so many challenges, and that is what causes her to wonder how to sustain that facility.

Mr. Bruner commented that in 2021, Troy is one of only three cities in the presentation tonight where the city portion of the tax bill is the smallest portion of the tax bill (along with Orchard Lake and Romulus.)

Council Member Hamilton commented that Troy may get to the point where the decision will need to be made by the voters that we either have a dedicated millage for the Aquatic Center, or it would have to close.

Council Member Abraham commented during the slides covering the unadjusted and adjusted fund revenues, the fact that our revenue hasn't changed much in 20 years is really highlighted. She said that when the questions come up as to why some communities do things that Troy doesn't do, these slides are exactly the reasons. She commented that the answers are only to adjust revenues, or adjust expenditures to make room for other expenditures.

Council Member Hodorek commented that the questions from residents are understandable, and looking at these slides it's obvious why Troy can't do things that other cities can do. Mr. Maleszyk commented that once ARPA funds are spent, and other cities received a lot more than Troy, residents will be wondering again why Troy can't do what other cities do.

Council Member Erickson Gault commented that in these charts, we see that expenditures are catching up to where we were, but revenue is not catching up, so some areas like recreation are suffering because of the lower revenue available to spend on services. She commented that most cities that Troy is compared to have a public safety millage of some sort, but she wondered how much their millages are, and it would be interesting to see how many times those millages have been increased since the initial adoption of the millage.

Mayor Baker commented that each Member of Council will have different views of the information in the presentation, but it sounds like they're on the same page as to the information provided. He commented that one of his concerns is the long-term effects of the pandemic on the taxable value of commercial property. City Assessor Kelly Timm said that there is a large gap between assessed and taxable value for commercial properties, and they are likely to see a reduction in assessed value, but the taxable value will go up. Mr. Bruner said

that residential property values are back to pre-recession levels. Mr. Miller commented that people wanting to downsize are actually staying in their home because of the increased taxes for a smaller home.

Mayor Baker commented that there were questions about funding for the Aquatic Center, such as keeping it as an Enterprise Fund, and he wondered if those had been answered. Mayor Baker commented that it may not matter what other communities do, since Troy is so unique. Mr. Bruner commented that they are collecting data, and it will be interesting, but it won't be the only answer to the question of what Troy should do. He commented that community engagement will help the Troy solution emerge.

Mr. Bruner commented that he is working on the next presentation showing the effects of capping and uncapping specific tax bills, to show how it affects residents. He said he will add in some information about tax rates and tax bases. Mayor Pro Tem Erickson Gault suggested a Headley/Prop-A refresher. Mr. Bruner commented that he is trying to avoid talking about those two subjects by name, but instead he will talk about those two subjects by using very specific examples.

E. OTHER BUSINESS:

F. ADJOURNMENT:

The Meeting **ADJOURNED** at 7:10 PM.

Mayor Ethan Baker

M. Aileen Dickson, MMC, MiPMC II
City Clerk

2022 SCHEDULED SPECIAL CITY COUNCIL MEETINGS:

October 3, 2022..... Future Budget Planning
November 19, 2022..... City of Troy Advance

2022 SCHEDULED REGULAR CITY COUNCIL MEETINGS:

September 12, 2022..... Regular Meeting
September 19, 2022..... Regular Meeting
October 3, 2022..... Regular Meeting
October 24, 2022..... Regular Meeting
November 14, 2022..... Regular Meeting
November 21, 2022..... Regular Meeting
December 5, 2022..... Regular Meeting
December 12, 2022..... Regular Meeting